

**Amended #2
October Agenda Version**

AMENDATORY SECTION:

WAC 230-40-055 Card tournaments for fee and prizes -- Reporting requirements. A card tournament wherein a fee is charged to the participants and prizes are awarded to the winning players shall be licensed by the commission.

License not required.

(1) Card room licensees with a Class A, B, E, F or house-banked license may conduct a card tournament for a fee without obtaining a card tournament license: Provided, That licensees are limited to only those card games authorized under their license class.

Class D licensees.

(2) Card room licensees with a Class D license must first obtain a card tournament license before they can conduct a card tournament in which the players are charged a fee to enter.

Notification.

(3) The licensee shall notify the commission ten days in advance of any card tournament where the single or multiple buy-in exceeds fifty dollars.

Length of tournament.

(4) A card tournament shall not exceed ~~((ten))~~ thirty consecutive calendar days.

Entry fees.

(5) The fee for a player to enter a card tournament for prizes shall not exceed ~~((fifty))~~ one hundred dollars. The ~~((fifty-dollar))~~ fee shall include all separate fees which might be paid by a player for various phases, events of the tournament, food and drink offerings, and promotional material.

Posting entry fee requirements.

(6) The fee to enter a tournament and a description of all goods and services to be provided as a part of the tournament must be fully disclosed to each entrant prior to their paying such fee. Such disclosure must be posted conspicuously on the premises at the time payment is received and remain posted until the tournament is complete.

Customer appreciation.

(7) Operators may offer customer appreciation tournaments. The licensee shall conspicuously post entry and buy-in requirements ~~((: Provided, That the pretournament play requirements do not exceed the fifty-dollar entry fee limitation: Provided, That licensees collecting fees using the rake method (WAC 230-40-050) game cannot require pretournament play to exceed ten hours))~~.

- (a) Entrants in such tournaments must initially be provided with the same number of chips or points and the same opportunity for re-buys.
- (b) All prizes awarded for customer appreciation tournaments may be deducted as prizes for determining adjusted net gambling receipts.

Fees are gross gambling receipts - exception for food and gifts.

(8) All fees paid to enter a tournament shall be reported as gross gambling receipts: Provided, That if an operator prepares and provides food and drink items to all tournament entrants on the licensed premises as a part of their entry fee, the fair market value of the food and drink provided, not to exceed twenty-five dollars or fifty percent of the entry fee, which ever is greater, shall be treated as sales of food and drink for on premises consumption and not included as gross gambling receipts. Such sales, must be properly supported by records: Provided further, That if an operator provides items promoting the tournament or licensed business, such as hats, t-shirts, etc., to all participants as a part of their entry fee, the actual cost of such items, supported by invoices and other such records, shall be deducted as prizes in determining adjusted net gambling receipts.

Buy-in.

(9) In addition to the entry fee, a minimum buy-in of chips may be required. The total buy-in per player shall not exceed (~~two~~) four hundred dollars per tournament and may be either a single or multiple buy-in during the course of the tournament. A record of the buy-ins for each participant will be maintained by the licensee in a format provided by the commission. All buy-ins of chips are not gross gambling receipts and shall be returned to the participants in the form of prizes. Prizes from buy-ins are not deductible for commercial stimulant purposes.

Prizes.

(10) The chips used in card tournaments shall have no monetary value and may be redeemed only for prizes established by the licensee. The licensee may award prizes in excess of those entry fees collected as authorized in subsection (5) of this section. The licensee's actual cost, including any cash, for prizes awarded to the players may be deducted as prizes for determining adjusted net gambling receipts generated by the entry fees.

Posting and approval of rules.

(11) The licensee shall adopt tournament rules to facilitate the operation of card tournaments: Provided, That all tournament rules for tournaments where the single or multiple buy-in exceeds fifty dollars must be submitted to commission staff for approval: Provided, That once a tournament format is approved, notification will be sufficient for all subsequent tournaments identical in format and play. All tournament rules must be conspicuously posted where all tournament participants can see and read the rules.

Recording fees and players.

(12) The licensee shall maintain a record of all such fees collected and the number of participant for each tournament conducted. This information shall be entered in a format approved by the commission. The total gross gambling receipts for the tournament shall be entered on the card room daily control sheet for the time and date the tournament begins and the record of participants shall be attached and maintained with that daily control sheet.

Prize records.

(13) The licensee shall maintain a record of all prizes awarded to include the amount the licensed operator actually paid for each prize and the name and complete address of each winning participant: Provided, That the name and address of each participant receiving promotional items as set forth in subsection (8) of this section shall not be required on the prize record. The record shall be attached to the daily control sheet used on the date the majority of the prizes are awarded.